GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3157
ANSWERED ON:10.08.2001
IMPACT OF ECONOMIC REFORMS ON POVERTY
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of FINANCE be pleased to state:

(a) the details of impact of the recent economic reforms programme on the incidence of poverty in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

The average annual real GDP growth increased from 5.4 per cent during The 12 year period ending 1991-92 to 6.3 per cent during 1992-93 to 2000-01 Based on revised estimates of GDP for 2000-01.Higher growth in GDP is the key to poverty reduction since the level, quality and growth of wages, incomes and employment in the economy is significantly affected by the overall growth in GDP.

The incidence of poverty expressed as the percentage of population belowthe poverty line declined from 54.9 per cent of the total population in 1973-74 to 36 per cent in 1993-94, and to 26.10 per cent (on a 30 day recall basis) in 1999-2000. (Table at Annex). There is thus evidence of a substantial decline in overall poverty ratio in the country during the 1990s consequent to the higher growth rates registered during the period.

ANNEX

Estimates of Poverty

Year	All India		Rural		Urban	
	Number (Million)	Poverty Ratio (%)	Number (Million)	Poverty Ratio (%)	Number Million	Poverty Ratio(%)
1973-74	321	54.9	261	56.4	60	49.0
1977-78	329	51.3	264	53.1	65	45.2
1983	323	44.5	252	45.7	71	40.8
1987-88	307	38.9	232	39.1	75	38.2
1993-94	320	36.0	244	37.3	76	32.4
1999-2000						
30 day recall	260	26.10	193	27.09	67	23.62
07 day recall	233	23.33	171	24.02	61	21.59